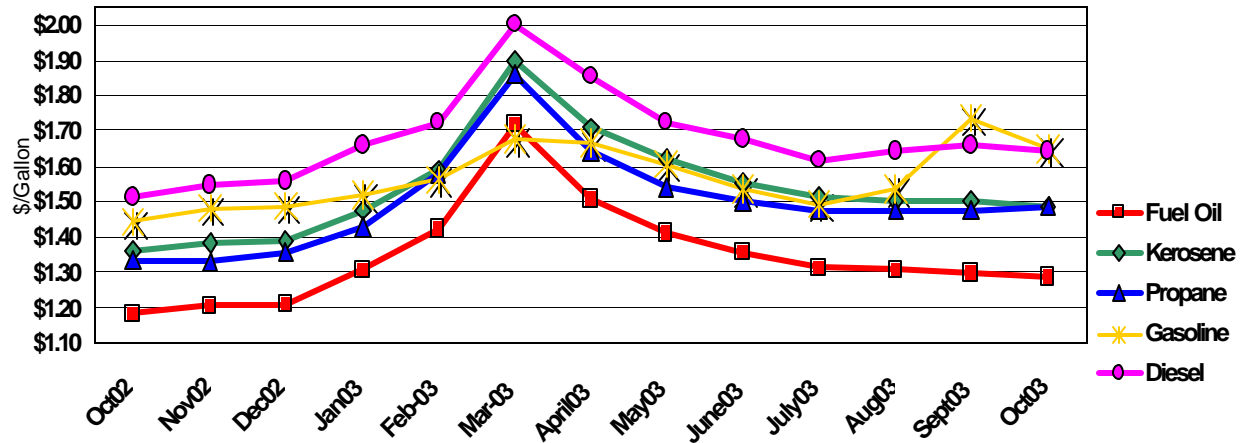


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Vermont Picture

One Year Price Trend



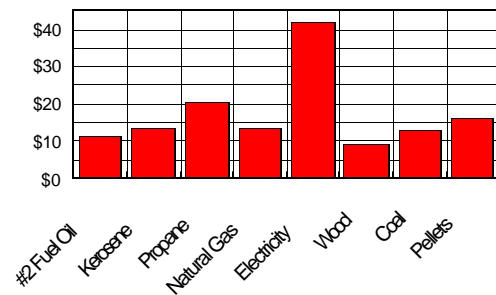
Average Retail Petroleum Prices (per gallon)

	Oct03	Sept03	%change	Oct02	%change
No. 2 Fuel Oil	\$1.285	\$1.298	-1.0%	\$1.184	8.6%
Kerosene	\$1.483	\$1.501	-1.2%	\$1.359	9.2%
Propane	\$1.484	\$1.473	0.8%	\$1.334	11.3%
Unleaded Gasoline	\$1.651	\$1.733	-4.8%	\$1.440	14.6%
Diesel	\$1.642	\$1.657	-0.9%	\$1.512	8.6%

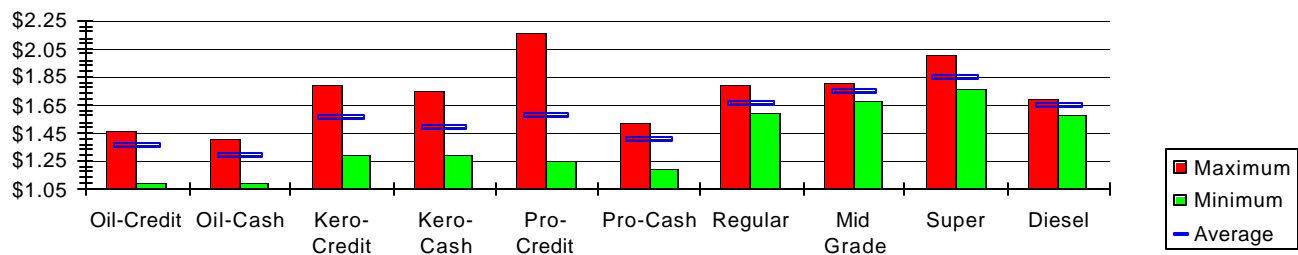
Comparing the Cost of Heating Fuels

Type of Energy	BTU/unit	Adj Effic	\$/unit	\$/MMBtu
Fuel Oil, gallon	138,200	80%	\$1.29	\$11.62
Kerosene, gallon	136,600	80%	\$1.48	\$13.57
Propane, gallon	91,600	80%	\$1.48	\$20.25
Natural Gas, therm	100,000	80%	\$1.07	\$13.38
Electricity, kwh	3,412	100%	\$0.14	\$41.39
Wood, cord	22,000,000	60%	\$125.00	\$9.47
Coal, ton	24,000,000	60%	\$182.00	\$12.64
Pellets, ton	16,400,000	80%	\$210.00	\$16.01

Cost per 1 Million BTU



Fuel Price Ranges in Vermont



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Natural Gas

The Vermont Public Service Board recently approved a 9.6% increase for Vermont Gas System's rates. The increase is reflected in this month's comparison chart.

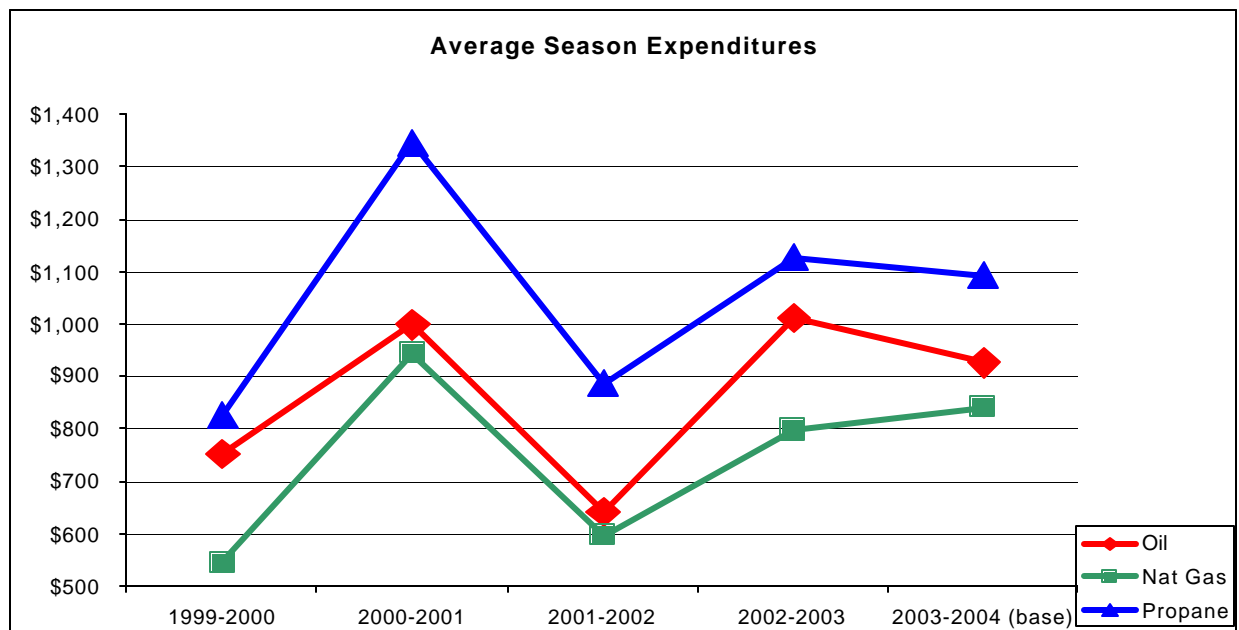
Winter Fuels Outlook

The U.S. Department of Energy (USDOE) and the National Association of State Energy Officials (NASEO) host an annual meeting for industry, press, and energy offices. They present the USDOE's forecast for the coming heating season. The DPS did not attend this year, but most of the presentations are available on the conference web site at:

<http://www.naseo.org/events/winterfuels/2003/agenda.htm>

Traffic at this site appears to be heavy, so I recommend saving the files to your hard drive prior to reading.

The chart below is a simple synthesis of the data presented at the meeting. It shows the actual average heating season expenditures for northeast heating oil, midwest natural gas, and midwest propane homes over past seasons and the EIA forecast for a normal winter this season.



NOTE: The *Vermont Fuel Price Report* is published monthly by the Vermont Department of Public Service. Prices are collected on or about the first Monday of each month and, unless otherwise indicated, reflect dealer discounts for cash or self-service. For more information, please contact:

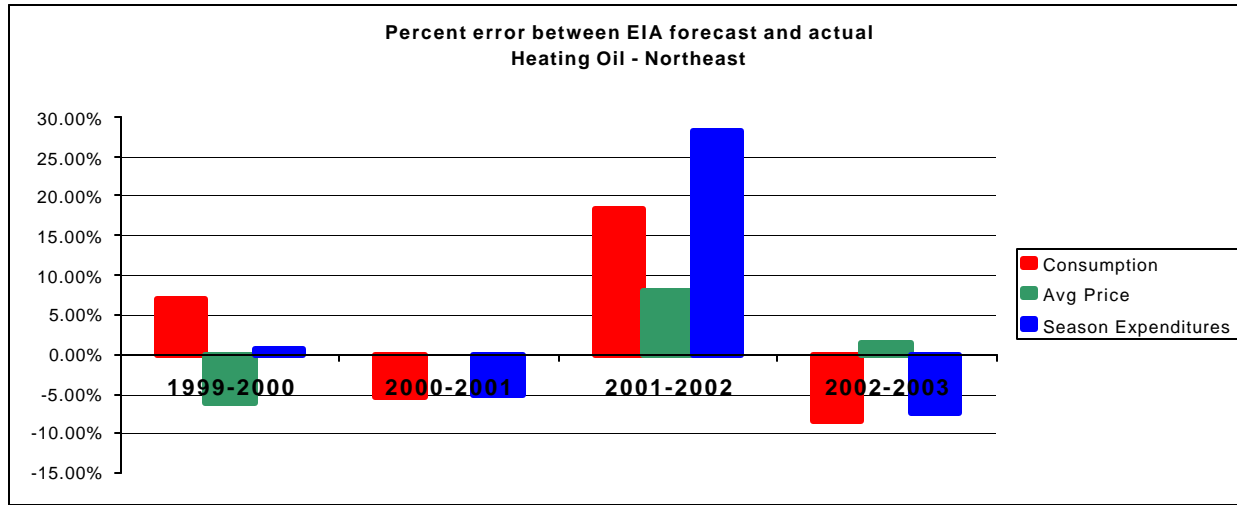
Tom Franks at 1-800-642-3281 or (802) 828-4035. E-mail: tom.franks@state.vt.us.

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Winter Fuels Outlook(continued)

The chart below shows the percent error between the EIA forecast at the Winter Fuels Outlook in previous years compared to the actual data for heating oil on the scales of price, consumption quantity and total expenditure. A positive number indicates the forecast was high, while a negative number indicates a low forecast. Note that for the 2000-2001 heating season the average price is spot on.



Finally, the table below compares the range of forecasts for this coming heating season to actual data for the last heating season.

Alternate Scenarios Compared to Last Heating Season

	2002-2003	2003-2004			Variance from Last Year		
	Actual	Forecast - Mild	Forecast - Base case	Forecast - Severe	Mild	Base	Severe
Heating Oil (North East)							
Consumption (gallons)	757	626	696	766	-17%	-8%	1%
Avg Price (\$/gal)	\$1.33	\$1.25	\$1.33	\$1.42	-6%	0%	7%
Season Expenditures	\$1,010	\$785	\$927	\$1,084	-22%	-8%	7%
Propane (Midwest)							
Consumption (gallons)	941	816	907	998	-13%	-4%	6%
Avg Price (\$/gal)	\$1.21	\$1.13	\$1.21	\$1.30	-7%	0%	7%
Season Expenditures	\$1,125	\$920	\$1,094	\$1,301	-18%	-3%	16%

Note: Severe and Mild vary from Base case by 10% in terms of heating degree days.

As the table shows, last year's season was most like the severe case in the forecast model for the coming season.